

STATE OF SOUTH CAROLINA

(Caption of Case)

IN THE MATTER OF PETITION OF SPRINT
COMMUNICATIONS COMPANY L.P. AND
SPRINT SPECTRUM L. P. D/B/A SPRINT PCS
FOR ARBITRATION OF RATES, TERMS AND
CONDITIONS OF INTERCONNECTION WITH
BELLSOUTH TELECOMMUNICATIONS, INC.
D/B/A AT&T SOUTH CAROLINA D/B/A AT&T
SOUTHEAST

BEFORE THE
PUBLIC SERVICE COMMISSION

COVER SHEET

DOCKET
NUMBER: 2007 - 215 - C

(Please type or print)

Submitted by: J. Jeffrey Pascoe

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DOCKETING INFORMATION (Check all that apply)

- ☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously
- ☐ Other: Rebuttal Testimony

INDUSTRY (Check one)

NATURE OF ACTION (Check all that apply)

- | | | | |
|--|--|--|--|
| <input type="checkbox"/> Electric | <input type="checkbox"/> Affidavit | <input type="checkbox"/> Letter | <input type="checkbox"/> Request |
| <input type="checkbox"/> Electric/Gas | <input type="checkbox"/> Agreement | <input type="checkbox"/> Memorandum | <input type="checkbox"/> Request for Certificatio |
| <input type="checkbox"/> Electric/Telecommunications | <input type="checkbox"/> Answer | <input type="checkbox"/> Motion | <input type="checkbox"/> Request for Investigation |
| <input type="checkbox"/> Electric/Water | <input type="checkbox"/> Appellate Review | <input type="checkbox"/> Objection | <input type="checkbox"/> Resale Agreement |
| <input type="checkbox"/> Electric/Water/Telecom. | <input type="checkbox"/> Application | <input type="checkbox"/> Petition | <input type="checkbox"/> Resale Amendment |
| <input type="checkbox"/> Electric/Water/Sewer | <input type="checkbox"/> Brief | <input type="checkbox"/> Petition for Reconsideration | <input type="checkbox"/> Reservation Letter |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Certificate | <input type="checkbox"/> Petition for Rulemaking | <input type="checkbox"/> Response |
| <input type="checkbox"/> Railroad | <input type="checkbox"/> Comments | <input type="checkbox"/> Petition for Rule to Show Cause | <input type="checkbox"/> Response to Discovery |
| <input type="checkbox"/> Sewer | <input type="checkbox"/> Complaint | <input type="checkbox"/> Petition to Intervene | <input type="checkbox"/> Return to Petition |
| <input checked="" type="checkbox"/> Telecommunications | <input type="checkbox"/> Consent Order | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation |
| <input type="checkbox"/> Transportation | <input type="checkbox"/> Discovery | <input checked="" type="checkbox"/> Prefiled Testimony | <input type="checkbox"/> Subpoena |
| <input type="checkbox"/> Water | <input type="checkbox"/> Exhibit | <input type="checkbox"/> Promotion | <input type="checkbox"/> Tariff |
| <input type="checkbox"/> Water/Sewer | <input type="checkbox"/> Expedited Consideration | <input type="checkbox"/> Proposed Order | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Administrative Matter | <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest | |
| <input type="checkbox"/> Other: | <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit | |
| | <input type="checkbox"/> Late-Filed Exhibit | <input type="checkbox"/> Report | |

**BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

IN THE MATTER OF PETITION OF)
SPRINT COMMUNICATIONS COMPANY)
L.P. AND SPRINT SPECTRUM L. P.)
D/B/A SPRINT PCS FOR ARBITRATION)
OF RATES, TERMS AND CONDITIONS)
OF INTERCONNECTION WITH)
BELLSOUTH TELECOMMUNICATIONS,)
INC. D/B/A AT&T SOUTH CAROLINA)
D/B/A AT&T SOUTHEAST)

Docket No 2007-215-C

**REBUTTAL TESTIMONY OF
MARK G. FELTON
FILED JULY 30, 2007**

1 **I. INTRODUCTION**

2

3 **Q. Please state your name, business address, employer and current position.**

4

5 A. My name is Mark G. Felton. My business address is 6330 Sprint Parkway,
6 Overland Park, KS 66251. I am employed as a Contracts Negotiator III in the
7 Access Solutions group of Sprint United Management, the management
8 subsidiary of Sprint Nextel Corporation ("Sprint Nextel").

9

10 **Q. On whose behalf are you testifying?**

11

12 A. I am testifying on behalf of Sprint Communications Company L.P. ("Sprint
13 CLEC") and Sprint Spectrum L.P. d/b/a Sprint PCS ("Sprint PCS"). I refer to
14 Sprint CLEC and Sprint PCS collectively in my testimony as "Sprint."

15

16 **Q. Are you the same Mark G. Felton who filed Direct Testimony in this**
17 **proceeding on July 9, 2007?**

18

19 A. Yes, I am.

20

21 **Q. What is the purpose of your Rebuttal Testimony?**

22

1 A. The purpose of my Rebuttal Testimony is to respond to the Direct Testimony of
2 BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina d/b/a AT&T
3 Southeast (“AT&T”) witnesses, P. L. (Scot) Ferguson and J. Scott McPhee.¹
4 First I will address the characterization of the parties’ negotiations made by both
5 AT&T witnesses. Next I will address each AT&T witness’s references to the
6 appropriate jurisdiction over the Merger Commitments. Finally, I will separately
7 respond to unique items in each AT&T witness’s testimony.

8
9 **II. NEGOTIATIONS BEFORE SPRINT’S MARCH 20, 2007 EXERCISE OF**
10 **ITS RIGHT TO ACCEPT AT&T’S OFFER OF A 3-YEAR EXTENSION**
11 **OF THE 2001 ICA.**

12
13 **Q. Please comment on Mr. Ferguson’s assertion that Sprint “stopped working**
14 **towards entering into a new negotiated interconnection agreement” (SF,**
15 **page 6, lines 22-23).**

16
17 A. Sprint has never stopped working towards an interconnection agreement with
18 AT&T that addresses Sprint’s business needs. The parties’ negotiations did
19 indeed expand, however, to include Sprint evaluating the benefits of extending
20 the term of its current month-to-month interconnection agreement (“ICA”) with
21 AT&T. This expansion of the negotiations occurred as a result of AT&T’s

¹ References are cited to the “AT&T Direct Testimony of P.L. (Scot) Ferguson Before the Public Service Commission of South Carolina, Docket No. 2007-215-C, July 23, 2007” as (SF page __, lines __), to the “AT&T Direct Testimony of J. Scott McPhee Before the Public Service Commission of South Carolina, Docket No. 2007-215-C, July 23, 2007” as (JSM page __, lines __), and to my prior “Prefiled Direct Testimony of Mark G. Felton Filed July 9, 2007” as (MGF page __, lines __).

1 offering such an extension to any telecommunications provider, including Sprint,
2 via the Merger Commitments. Mr. Ferguson clearly demonstrates his lack of
3 first-hand knowledge of the negotiations by suggesting this shift occurred in late
4 2006. In fact, the parties began exploring the effect of the Merger Commitments
5 within their ongoing negotiations in early 2007 and it was not until March 20,
6 2007, after AT&T disengaged from substantive communications, that Sprint
7 informed AT&T of its intention to extend its current agreement.
8

9 **Q. How do you respond to Mr. McPhee's statement that "Sprint broke off**
10 **negotiations for a successor agreement in December 2006, after reaching**
11 **agreement in principle on outstanding issues" (JSM page 6, lines 17-19)?**
12

13 A. Mr. McPhee's statement is inaccurate, misleading and is evidence of his
14 unfamiliarity with the AT&T / Sprint negotiations. First, Sprint did not and, to
15 date, has not "broken off" negotiations with AT&T. To the contrary, Sprint has
16 proactively maintained an open dialogue with AT&T to explore all options for
17 resolution of this issue. Second, while Mr. McPhee is correct that the parties did
18 reach agreement on "some" outstanding issues, he conveniently omits the word
19 "all." In fact, as I stated in my July 9, 2007 Direct Testimony at page 9, the
20 parties continued to struggle with a few critical issues and it was unclear at best
21 whether final resolution would be reached. Consequently, when the Merger
22 Commitments were offered by AT&T and accepted by the FCC, it was

1 incumbent upon Sprint to consider them within the context of the open
2 negotiations.

3
4 **Q. What happened after December 29, 2006?**

5
6 A. After the FCC approved the AT&T/BellSouth Merger on December 29, 2006
7 subject to the Merger Commitments, on Wednesday January 3, 2007, the parties
8 immediately discussed the impact of the Merger Commitments on the pending
9 negotiations. Based on that call, Sprint submitted written Merger Commitment-
10 related questions later the same day. The very first question asked for AT&T's
11 "Confirmation that Sprint may extend its 2001 ICA (which is currently on a
12 month-to-month term) for up to three years?" On January 10, 2007, AT&T
13 negotiator Lynn Allen-Flood advised Sprint by e-mail that:

14 "BellSouth is working to get answers to these questions The
15 answer to Sprint's main question is that Sprint can extend the 2001
16 ICA, however, I do not yet have all the details to fully respond.
17 Considering this, BellSouth proposes to extend the arbitration
18 close by two weeks and the associated letter is attached for your
19 confirmation." [Emphasis in original.]
20

21 Ms. Allen-Flood's e-mail is consistent with Mr. Ferguson's testimony that
22 AT&T agrees this commitment allows Sprint to extend the term of its current
23 ICA for three years. Mr. Ferguson then correctly points out that the heart of the
24 dispute is over the date from which the extension begins (SF page 11, lines 9-16);
25 however, it is apparent to Sprint that AT&T seeks to renege on its commitment
26 to extend any agreement, regardless of whether the initial term has expired,
27 through an interpretation of the Merger Commitment that is beyond any

1 reasonable explanation, the end result of which is a “modified” offer of a less
2 than 1-year post-merger extension of Sprint’s current month-to-month term ICA.
3

4 **Q. Can you summarize Sprint’s efforts to pursue further negotiations between**
5 **January 10, 2007 and the sending of Sprint’s March 20, 2007 letter**
6 **exercising Sprint’s right to accept AT&T’s Merger Commitment offer to**
7 **extend the 2001 ICA 3-years, Petition Exhibit C?**

8
9 A. Yes. The parties extended the then-existing arbitration “windows” for the 9
10 AT&T states not once, but twice, to provide additional time to consider the
11 Merger Commitments in the context of the parties’ negotiations. The first
12 extension was a couple of weeks to early February at AT&T’s suggestion per Ms.
13 Allen-Flood’s previously mentioned e-mail, followed by a longer extension
14 (Petition Exhibit A) that resulted in the first arbitration window *opening* in late
15 March.
16

17 As of February 1, 2007, considering AT&T’s January 10, 2007 response that
18 Sprint could extend its 2001 ICA but AT&T had still not yet responded to all of
19 Sprint’s Merger Commitment related questions, Sprint made a good-faith
20 settlement offer. Sprint followed up on February 5th and requested a meeting to
21 discuss Sprint’s offer. On February 7th AT&T responded that such a meeting
22 would be “premature.” On February 14th, Sprint again requested a meeting no

1 later than February 23rd to discuss any further AT&T response to Sprint's Merger
2 Commitment-related questions and Sprint's February 1st settlement offer.

3
4 On February 21st, after having Sprint's settlement offer 3 weeks, AT&T advised
5 that it was "surprised" by Sprint's settlement offer and any substantive response
6 AT&T could provide at this time would not meet with Sprint's approval. AT&T
7 proposed an additional 60-day extension to the arbitration windows so that the
8 first window would close June 16 and requested a call the week of March 5th -
9 but further added AT&T would not have any substantive response to Sprint's
10 February 1st settlement discussion document *until mid April*. On March 7th,
11 AT&T further clarified that its offer for a call the week of March 5th was to let
12 Sprint know AT&T was glad to meet but acknowledged that there was nothing
13 more to share at that point from AT&T.

14
15 As far as Sprint is concerned, it was AT&T that chose to disengage from
16 negotiations altogether and pursue a course of delay and non-compliance. In
17 light of the overall 42-month Merger Commitment limitation period, Sprint had,
18 and continues to have, legitimate concerns regarding what impact such AT&T
19 delays and non-compliance may ultimately reek upon Sprint's efforts to timely
20 implement its rights to a full 3-year extension. Sprint was simply not willing to
21 leave it to AT&T to further delay negotiations, while the 42-month Merger
22 Commitment limitation period continued to run. Accordingly, Sprint sent its

1 March 20, 2007 letter accepting a 3-year extension of the parties' 2001 ICA and
2 stating the parties' disputed positions regarding the 3-year ICA extension
3 commencement date (Petition Exhibit C).

4
5 **III. AT&T WITNESSES' REFERENCES TO FCC JURISDICTION OVER**
6 **THE MERGER COMMITMENTS.**
7

8 **Q. Messrs. Ferguson and McPhee address the issue of the South Carolina**
9 **Commission's jurisdiction in this case, stating that the "issue can only be**
10 **addressed by the FCC" (SF, page 3, line 14, JSM, page 4, lines 14-15) and**
11 **that the issue is not "an appropriate issue for a 252 arbitration proceeding"**
12 **(JSM, page 4, lines 13-14). Do you agree?**
13

14 **A.** No. While I am not an attorney and will not offer a legal opinion here, I know
15 that Sprint's position is that this Commission has jurisdiction in this matter as
16 evidenced by Sprint's arbitration filing. In addition, Sprint filed its response to
17 AT&T's Motion to Dismiss on July 2, 2007, and therein clearly articulated the
18 legal basis for this Commission's jurisdiction to address AT&T's merger-related
19 interconnection obligations. Furthermore, this issue squarely addresses one of
20 the most fundamental aspects of contract negotiations – the term of the
21 agreement – and it is my belief that Congress, through the Telecommunications
22 Act of 1996, granted this Commission the authority make a determination in this
23 instance.
24

1 **IV. REBUTTAL TO THE BALANCE OF MR. FERGUSON’S TESTIMONY**

2
3 **Q. Do you agree with Mr. Ferguson regarding what Merger Commitment is at**
4 **issue in this docket, or the source and purpose of that Merger Commitment?**

5
6 A. Yes, we agree that the Merger Commitment at issue is the one identified as
7 “Reducing Transaction Costs Associated with Interconnection Agreements”
8 paragraph 4. (Cf. MGF page 10, line 20 through page 11, line 3 and SF page 7,
9 line 14 through page 8, line 5.) I do not dispute that the cable companies were
10 the source of Merger Commitment No. 4, or that Merger Commitment No. 4
11 contemplates the “exten[sion of] the term of existing agreements” (SF page 8,
12 line 7 through page 9, line 22).

13
14 **Q. Where do you and Mr. Ferguson part ways?**

15
16 A. We apparently disagree over the meaning of the words “term” and “existing
17 agreements.” Mr. Ferguson states “Sprint’s ICA expired on December 31, 2004”
18 (SF page 5, lines 8-9), and then, in response to the question “What is an
19 expiration date of an interconnection agreement?,” asserts:

20 An ICA expiration date is an agreed-upon date certain that defines
21 the termination of an ICA between two companies.
22

1 (SF page 6, lines 10-14.) Mr. Ferguson also suggests that the parties *only*
2 continued to operate under the 2001 ICA by virtue of AT&T's:

3 "longstanding practice ... that, *if* the negotiation or arbitration of a
4 new interconnection agreement continues beyond the expiration
5 date of the existing interconnection agreement, *the parties can*
6 *agree to extend negotiations for the new interconnection*
7 *agreement beyond the expiration date.*"

8
9 (SF page 5, lines 6-10, emphasis added.) Based on the foregoing, I believe Mr.
10 Ferguson's testimony creates two erroneous impressions. First, he implies that
11 under the ICA *only* a stated fixed multi-month or multi-year time period
12 constitutes a "term" that is subject to the 3-year extension and, second, that the
13 ICA *only* continues past a fixed term expiration if the parties are in negotiations
14 *and agree to extend such negotiations* beyond the fixed-term expiration date.

15
16 The problem with Mr. Ferguson's position is that it ignores the additional 2001
17 ICA provisions where the parties not only expressly agreed in writing that the
18 "term" *automatically* becomes a month-to-month term after a fixed term
19 "expiration," but the process by which a new month-to-month "term" is either
20 replaced or terminated. The conversion to a month-to-month term is automatic
21 under the last sentence of Section 2.1. (*See* Exhibit MGF-1 of my July 9, 2007
22 Direct Testimony): "If, as of the expiration of this Agreement, a Subsequent
23 Agreement has not been executed by the Parties, this Agreement shall continue
24 on a month-to-month basis"; see also legacy BellSouth counsel's admission in
25 Exhibit MGF-2 to my July 9, 2007 Direct Testimony. The month-to-month term

1 can literally continue without termination if neither party sends a 60-day
2 termination notice as provided in Section 3.3. (See Exhibit MGF-1 of my July 9,
3 2007 Direct Testimony). And, if there is any doubt that the month-to-month
4 constitutes an “extension,” ICA Section 3.4 also states that when an arbitration is
5 filed and the Commission has not ruled prior to an expiration of the ICA, the ICA
6 “is deemed extended on a month-to-month basis” (See Exhibit MGF-1 of my
7 July 9, 2007 Direct Testimony.) Simply stated, “evergreen” provisions are
8 common in ICAs and the presence of this type of provision in the AT&T / Sprint
9 ICA should not be used to Sprint’s detriment.
10

11 **Q. What is the effect on AT&T’s position once it is understood that upon**
12 **termination of the 2001 ICA’s fixed term, the ICA automatically converted**
13 **to a month-to-month term?**
14

15 A. Pursuant to Merger Condition No. 4, AT&T is required to extend Sprint’s
16 “current” ICA for a period up to 3-years. Despite Mr. Ferguson’s assertion that
17 “the parties have continued under that prior interconnection agreement as an
18 interim measure to accommodate on-going negotiations” (SF page 12, lines 19-
19 21), as I clearly explained above, Sprint’s “current” ICA continues on a month-
20 to-month basis by operation of the ICA’s own terms. The month-to-month ICA
21 is clearly the “current” ICA that Sprint is entitled to extend for 3 years. I don’t
22 see any significance under either the ICA or Merger Condition No. 4 to the

1 December 2004 fixed term expiration relied upon by Mr. Ferguson. Indeed, the
2 ICA is the current, ongoing agreement with an active month-to-month term, *that*
3 *has been amended five times since December 2004*, the most recent amendment
4 occurring in October 2006. (See Exhibit MGF-1 of my July 9, 2007 Direct
5 Testimony.) Certainly, parties would not expend significant time and energy to
6 repeatedly amend an agreement unless those parties consider such agreement to
7 be the “current” agreement under which they operate.

8
9 **Q. What is your response to Mr. Ferguson’s assertions that Sprint is seeking a**
10 **“six year” extension (SF page 14, lines 7-8), that Sprint’s interpretation is**
11 **unfair and leads to discriminatory treatment based on timing (see generally,**
12 **SF page 15, line 4-9)?**

13
14 **A.** First, Sprint’s interpretation results in the same treatment for all carriers – a post
15 December 29, 2006 3-year extension of a carrier’s “current” ICA. This
16 interpretation is based on a straightforward application of Merger Commitment
17 No. 4 and the unequivocal language of the FCC order that states:

18 For the avoidance of doubt, unless otherwise expressly stated to the
19 contrary, all conditions and commitments proposed ... apply in the
20 AT&T/BellSouth in-region territory ... for a period of forty-two
21 months *from the Merger Closing Date* and would automatically
22 sunset thereafter.
23

24 (MGF page 10, lines 10-18, emphasis added.)

1 Second, Sprint has consistently operated in good faith with respect to AT&T and
2 cannot be responsible for AT&T's "concern" that other carriers may attempt to
3 drag their feet to obtain a longer extension. The reality is that if AT&T believes
4 a given carrier is not negotiating in good faith, AT&T has always had, and
5 continues to have, the power to either initiate arbitration itself or refuse an
6 extension with a given carrier - which in and of itself places significant pressure
7 upon carriers to act in good faith in the first place.

8
9 Third, it is truly ironic that AT&T would point to Sprint's desire to keep its ICA
10 in place as somehow unfair because Sprint would obtain a longer benefit than
11 some other hypothetical carrier. AT&T knows full well that the parties have
12 invested an incredible amount of time in repeatedly amending the 2001 ICA to
13 keep it current. Mr. Ferguson's assertion that Sprint's interpretation of a 3-year
14 extension ignores "the transactional costs associated with the negotiations that
15 have taken place over the last two-and-a-half years" (SF page 17, lines 16-18)
16 again demonstrates his lack of familiarity with the ICA and the negotiations that
17 occurred. A significant amount of such transaction costs were actually sunk into
18 the *six amendments* that the parties did enter into over the last two-and-a-half
19 years since the initiation of negotiations. (*See* Exhibit MGF-1 of my July 9, 2007
20 Direct Testimony.) Any "unfairness" in this case does not arise by virtue of
21 Sprint wanting to keep in place an ICA in which it has already invested years in
22 keeping up-to-date. The real unfairness here is in AT&T making an unqualified

1 3-year extension offer to the FCC and the industry, apparently thinking twice
2 about what it did after the fact, and now searching high and low for a way to
3 avoid extending Sprint's ICA. From Sprint's perspective as a competing carrier,
4 there are indeed significant *avoidable* transaction cost opportunities that the
5 Merger Commitments represent to Sprint by continued use of the 2001 ICA, and
6 AT&T is simply seeking to prevent Sprint from realizing such benefits.

7
8 And finally, with respect to the example AT&T provided as to why the 2001 ICA
9 is out-of-date – i.e., because AT&T has developed a purported methodology to
10 accurately measure and jurisdictionalize interMTA traffic (SF page 16, lines 3-9)
11 – Mr. Ferguson once again demonstrates his lack of familiarity with both the
12 negotiations and the 2001 ICA. The parties did not agree on any specific
13 “methodology” for jurisdictionalizing traffic, and Sprint continues to dispute
14 AT&T's purported ability to “accurately” identify and measure interMTA traffic.
15 What the parties contemplated was insertion of newly “negotiated” interMTA
16 factors and the need to develop a process (requiring mutual agreement) for
17 periodically updating such factors. Absent such mutual agreement, interMTA
18 factors were still subject to resolution pursuant to the ICA's dispute resolution
19 provisions – as would be any dispute under the 2001 ICA.

20
21 **V. REBUTTAL TO THE BALANCE OF MR. MCPHEE'S TESTIMONY**
22

1 **Q. How do you respond to Mr. McPhee’s request that the Commission impose**
2 **upon Sprint “the language that AT&T believes to be the final agreement the**
3 **parties had reached through negotiations for the General Terms and**
4 **Conditions and all attachments except Attachment 3” and “with regard to**
5 **Attachment 3” impose AT&T’s “standard Attachment 3 for interconnection**
6 **services” (JSM page 5, line 11-16)?**

7

8 **A. Mr. McPhee is seeking this Commission’s complicity in AT&T breaching its**
9 interconnection obligations under the Merger Commitments, in addition to
10 punishing Sprint for daring to accept an offer that AT&T voluntarily proposed
11 and has since become obligated to make to all carriers in the industry. AT&T’s
12 request makes about as much sense as Sprint requesting the Commission impose
13 upon AT&T “the language that *Sprint* believes to be the final agreement the
14 parties had reached through negotiations for the General Terms and Conditions
15 and all attachments except Attachment 3” and “with respect to Attachment 3”
16 *impose Attachment 3 from the parties 2001 ICA*. Neither suggestion is warranted
17 and, in any event, Sprint has already accepted the 3-year extension of the 2001
18 ICA which AT&T acknowledged in writing Sprint was entitled to do.

19

20 **Q. Why should the Commission rule in Sprint’s favor on Issue 1 and**
21 **simultaneously reject AT&T’s proposed “Issue 2?”**

22

1 A. First, it is truly absurd that Mr. McPhee asserts AT&T's proposed resolution is
2 "completely compliant with the merger commitments AT&T made to the FCC."
3 Nothing could be further from reality. Among other things, the Merger
4 Commitments now require AT&T to negotiate from the parties' existing ICA –
5 which is precisely what Sprint repeatedly requested of AT&T throughout
6 negotiations and AT&T repeatedly refused. More to the point in this case, the
7 Merger Commitments require a 3-year extension of the parties' "current" ICA,
8 which a "proposed agreement" is, by definition, not.

9

10 Second, AT&T even admits it "has offered to extend [Sprint's] interconnection
11 agreement three years" (SF page 16, lines 19-20). The only dispute with respect
12 to such an extension is over the commencement date: AT&T sought to limit
13 Sprint's 3-year extension by construing any commencement date to be "*from* the
14 ICA expiration date of December 31, 2004," and Sprint contends it is entitled to
15 a post-merger, full 3-year extension *from* no earlier than the December 29, 2006
16 approval date. It is the current month-to-month term nature of the Sprint ICA
17 that supports the actual extension occurring *from* the date of Sprint's request,
18 because the month in which the request is made constitutes the "current" ICA
19 time-frame that is being extended for the full, post-merger 3-year period.

20

21 Third, Sprint's interpretation is supported by the language of the Merger
22 Commitments, is reasonable, and accomplishes the spirit of the Merger

1 Commitments.

2
3 Fourth, as previously explained in my Direct Testimony, on its face, AT&T's
4 position would require the Commission to ignore two simple facts. First, the
5 parties' current ICA is by its express terms "deemed extended" and, therefore, is
6 still in effect with a rolling month-to-month expiration date that automatically
7 continues to extend and renew. And second, AT&T's interpretation requires the
8 Commission to apply the Merger Commitments in a manner inconsistent with
9 their express terms in order to essentially "back date" their application to precede
10 their express stated effective date of December 29, 2006. The practical effect of
11 accepting AT&T's position is that the Commission must essentially re-write
12 Merger Commitment No. 4 and the FCC's Order in a manner that obliterates the
13 clear intended benefit to requesting carriers of a post-Merger Closing Date three-
14 year ICA extension, which will only serve to reward and encourage further
15 AT&T breaches of its legal obligations.

16
17 **Q. Does this conclude your Rebuttal Testimony?**

18 **A.** Yes.

AFFIDAVIT

STATE OF KANSAS

COUNTY OF JOHNSON

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Mark G. Felton, who being by me first duly sworn deposed and said that:

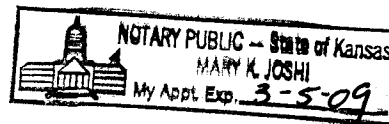
He is appearing as a witness on behalf of Sprint Communications Company L.P. and Sprint Spectrum, L.P. d/b/a Sprint PCS before the Public Service Commission of South Carolina in Docket No. 2007-215-C, and if present before the Commission and duly sworn, his testimony would be the same as set forth in the annexed Rebuttal Testimony consisting of 17 pages and 0 Exhibits.



Mark G. Felton

SWORN TO AND SUBSCRIBED BEFORE
ME THIS 26th DAY OF July, 2007.


NOTARY PUBLIC



**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

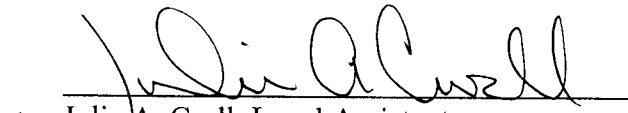
PETITION OF SPRINT COMMUNICATIONS COMPANY L.P. AND SPRINT SPECTRUM L.P. D/B/A SPRINT PCS FOR ARBITRATION OF RATES, TERMS AND CONDITIONS OF INTERCONNECTION WITH BELL SOUTH TELECOMMUNICATIONS, INC. D/B/A AT&T SOUTH CAROLINA D/B/A AT&T SOUTHEAST	Docket No. 2007-215-C
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on July 30, 2007, he served a copy of the attached **Rebuttal Testimony of Mark G. Felton Filed July 30, 2007** by first-class mail, proper postage affixed addressed to the person(s) hereinafter named, at the place(s) and address(es) stated below, which is/are the last known address(es):

Patrick W. Turner, Esq.
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